

**DELLOYD VENTURES BERHAD**  
*(Incorporated in Malaysia)*

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2013**

**A. NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis of preparation**

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the year ended **31 March 2012**. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended **31 March 2012**.

**2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2012 except for adoption of the amendment to Financial Reporting Standards (“FRSs”) and Interpretations that are applicable to the Group for the financial period beginning 1 April 2012.

The adoption of these amendments to FRSs and Interpretations does not have any significant impact on the financial statements of the Group.

**Malaysian Financial Reporting Standards ( MFRS Framework )**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued the MFRS Framework which comprises Standards and new/revised Standards as issued by the International Accounting Standards Board.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012.

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. However, the adoption of the MFRS Framework will be mandatory for financial statements or accounting period beginning on or after 1 January 2014. The Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 March 2015.

3. **Auditors' report on the preceding annual financial statements**

The auditors' report of the previous financial year ended **31 March 2012** was not subject to any qualification.

4. **Seasonal or cyclical factors**

The operations of the Group are not affected by any significant seasonal or cyclical factors other than the plantation sector, which is dependent on the selling prices of crude palm oil and the production of fresh fruit bunches.

5. **Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter ended 31 March 2013.

6. **Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

7. **Debt and equity securities**

During the current financial quarter, the Company repurchased 34,100 ordinary shares of its issued share capital for a total consideration of RM109,959. These repurchased shares are to be held as treasury shares. The total number of treasury shares held as at 31 March 2013 is 3,207,200.

8. **Dividends paid**

On 28 March 2013, the Company paid the 1<sup>st</sup> interim dividend of 5% (single-tier) for the financial year ending 31 March 2013 amounting to RM4,839,853.

9. **Segmental Information**

(i) Business Segments

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		12 Months Ended	
	31/03/13	31/03/12	31/03/13	31/03/12
	RM'000	RM'000	RM'000	RM'000
<b><u>Segment Revenue</u></b>				
Automotive Components	51,962	76,447	285,189	319,451
Plantation	18,502	21,733	78,533	79,842
Vehicle Distribution	13,680	15,355	58,693	65,822
Others	177	191	1,126	1,103
Group Revenue	84,321	113,726	423,541	466,218
<b><u>Segment Results</u></b>				
Automotive Components	5,547	3,372	23,702	31,933
Plantation	52	7,493	21,128	30,290
Vehicle Distribution	111	85	277	312
Others	(459)	(598)	(1,612)	(2,032)
	5,251	10,352	43,495	60,503
Unrealised gain/(loss) on foreign exchange	1,011	(4,940)	(3,743)	(5,086)
Effects of FRS 139	1,177	901	569	(759)
	7,439	6,313	40,321	54,658
Share of profits less losses in associated companies (net of tax)	1,131	1,108	4,182	295
	8,570	7,421	44,503	54,953

There have been changes/reclassifications made within the segments and hence the comparative figures would not be as reported previously.

9. **Segmental Information (Cont'd)**

(ii) Geographical Segments

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		12 Months Ended	
	31/03/13	31/03/12	31/03/13	31/03/12
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000
Malaysia	67,500	75,163	290,432	330,975
Indonesia	15,875	36,983	128,148	131,701
Thailand	946	1,580	4,961	3,542
Group Revenue	84,321	113,726	423,541	466,218
<u>Segment Results</u>				
Malaysia	6,884	6,198	27,769	40,420
Indonesia	42	(365)	11,758	13,608
Thailand	513	480	794	630
	7,439	6,313	40,321	54,658
Share of profit less losses in associated companies (net of tax)	1,131	1,108	4,182	295
	8,570	7,421	44,503	54,953

10. **Valuation of property, plant and equipment**

There was no valuation of property, plant and equipment during the current financial quarter.

11. **Material events subsequent to the Statement of Financial Position date**

There were no material events subsequent to the end of the financial period ended 31 March 2013.

12. **Changes in the composition of the Group**

On 7 February 2013, the Company's wholly-owned subsidiary Delloyd Industries (M) Sdn Bhd (DISB) completed the disposal of 51% of its investment in PT Delloyd (PTD) comprising 510 ordinary shares of Rp5,024,500 per share for a total consideration of USD1,885,526.

Effective from the same date, PTD ceased to be a subsidiary and became an associate of DISB.

13. **Changes in contingent liabilities or contingent assets**

Contingent liabilities of the Group as at 23 May 2013 amounted to **RM75.8 million** which are in respect of corporate guarantees given to licensed banks for banking facilities granted to subsidiaries.

***B. ADDITIONAL INFORMATION AS REQUIRED UNDER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT***

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**1. Review of performance**

**1.1 Fourth Quarter ended 31 March 2013 compared with Fourth Quarter ended 31 March 2012**

The Group recorded revenue of RM84.3 million against RM113.7 million. The lower revenue was mainly due to the exclusion of sales revenue from its former Indonesian subsidiary PT Delloyd upon its disposal of 51% controlling interest.

Profit before tax was lower from RM10.4 million to RM5.3 million. This was mainly due to the plantation sector which experienced low CPO prices and higher mill operation costs despite higher yield.

**1.2 12 months ended 31 March 2013 compared with 12 months ended 31 March 2012**

During the current financial year, the Group recorded lower revenue of RM 423.5 million against RM 466.2 million previously.

Revenue from the automotive segment was lower resulting from the disposal of a controlling interest in an Indonesia subsidiary. Revenue from the preceding year includes sales of articulated buses amounting to RM 18.4 million against RM 9.2 million during the current financial year.

The performance of the automotive sector was also impacted by selling price pressure, capacity expansion and low volume.

The plantation segment recorded higher yield from the Indonesia plantations. This has helped cushion the adverse impact from depressed CPO prices. This segment recorded revenue of RM 78.5 million, a marginal reduction from RM 79.8 million. However, profit before tax was significantly lower due to unsold stock of CPO and higher mill operating cost.

**1.3 Fourth Quarter ended 31 March 2013 against preceding quarter ended 31 December 2012**

The Group recorded lower revenue of RM 84.3 million during the current quarter against RM 102.9 million previously.

The lower profit was attributed mainly to the plantation operations in Indonesia. The estates experienced a significant drop in yield of 13,000 MT of FFB during the quarter. This resulted in higher mill operating costs due to low FFB production volume and the build up of unsold CPO.

2. **Prospects**

Malaysia's GDP in 2013 is expected to grow by 5.6% largely supported by private consumption and expansion in investments. The external environment remains challenging as the economic recovery of major trading partners remain uncertain.

With the forecast of a 2% growth of the domestic TIV by the Malaysian Automotive Association, and new parts secured from the local OEM customers, the Board is cautiously optimistic that the Group's automotive components sector will remain positive for the current financial year.

Palm oil production improved strongly from the second half of 2012. However, CPO prices weakened considerably in the final quarter of 2012 due to faster than expected build up of palm oil stocks in both Malaysia and Indonesia. It is anticipated that global palm oil production in 2013 will increase by 4 – 5% and coupled with the current stocks, no shortage is expected. This situation will possibly keep palm oil prices under pressure.

The total FFB output from both the Sg Rambai and Pulau Belitung estates is expected to register a 15% increase over the current year output. This is largely contributed by the Belitung estates as additional newly matured areas are harvested and more palms move into higher-yielding age brackets. Based on current market trend and demand for CPO, with price hovering around RM2,300 per MT, the Board envisages that the Group's plantations sector will continue to generate satisfactory returns.

3. **Profit Forecast**

There was no profit forecast or profit guarantee made during the quarter under review.

4. **Taxation**

	3 months ended		Year To Date	
	31/03/13	31/03/12	31/03/13	31/03/12
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Local	415	478	5,575	6,303
- Overseas	(273)	693	2,345	3,786
	142	1,171	7,920	10,089
Deferred Tax	1,333	894	765	630
	1,475	2,065	8,685	10,719

The effective tax rate for the current quarter and year to date is lower than the statutory tax rate due to certain non-taxable income, provision writebacks and the utilisation of reinvestment and capital allowances.

5. **Status of corporate proposals**

There were no corporate proposals announced but not completed as at 23 May 2013.

6. **Group borrowings and debt securities**

Details of the Group's borrowings as at the end of the current quarter are as follows:

	<u>31/03/2013</u>
	<i>RM'000</i>
<b>Current</b>	
Secured	20,938
<b>Non Current</b>	
Secured	25,778
	<u>46,716</u>
Borrowings denominated in foreign currency:	
	RM'000
	Equivalent
US Dollars	<u>28,459</u>



7. **Breakdown of the Realised and Unrealised Profits/(Losses) Disclosure**

	As At The End Of Financial Year Ended 31/03/2013  RM'000	As At The End Of Financial Year Ended 31/03/2012  RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	291,763	272,830
- unrealised	(1,561)	890
	290,202	273,720
Total share of retained profits from associated companies:		
- realised	23,171	19,123
- unrealised	6	(128)
	23,177	18,995
Total group retained profits as per statement of financial position	313,379	292,715

8. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	RM'000
- Property, plant and equipment	11,788
- Foreign currency	179
	11,967

9. **Material litigation**

There was no material litigation or pending material litigation involving the Group as at the date of this announcement.

10. **Dividend**

The Board of Directors is recommending for shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 5.0% (single-tier dividend).

The date of the Annual General Meeting and book closure for the dividend entitlement will be announced in due course.

11. **Earnings per share**

The earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 31 March 2013 of **RM 7.614 million** divided by the weighted average number of ordinary shares in issue, net of treasury shares, at the balance sheet date of 96,895,108 shares.

The diluted earnings per share is not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial period under review.

By Order of The Board

Ng Say Or  
Company Secretary  
29 May 2013